

## Message Text

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63

ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIE-00 INRE-00

NSCE-00 SSO-00 EB-07 OMB-01 IGA-01 TRSE-00 COME-00

MC-02 AID-05 ( ISO ) W

----- 107235

O R 210135Z NOV 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC IMMEDIATE 1331

SECDEF WASHDC IMMEDIATE

INFO CINCPAC

CNO

CSAF

C O N F I D E N T I A L JAKARTA 14293

E.O. 11652: GDS

TAGS: MASS ID US

SUBJECT: FY 76 FMS CREDIT FOR INDONESIA

STATE FOR EA-HABIB, DEFENSE FRO ISA-ABRAMOWITZ

REF: SECDEF 7611 (DTG 171406Z NOV 75) - SENT TO CHUSDLG

1. REF MESSAGE STATES "PSMM'S AND S-61'S ARE BEING PURCHASED ON DIRECT COMMERCIAL BASIS" AND PLACES ON GOI RESPONSIBILITY FOR DIRECT TRANSACTION, AFTER WHICH USG WILL PROVIDE DOD GUARANTEED CREDIT.

2. FROM BEGINNING OF DISCUSSIONS ON CURRENT PACKAGE, GOI HAS MADE IT CLEAR THEY EXPECT AND DESIRE GOVERNMENT-TO-GOVERNMENT TRANSACTION. CHANGE IN PROCEDURES, COMING ON HEELS OF SHIFT WE HAVE ALREADY MADE IN COMPOSITION OF PACKAGE WILL BE VERY POORLY RECEIVED. I CANNOT BELIEVE WASHINGTON WOULD WISH FURTHER DAMPEN ATMOSPHERE IN THIS CRITICAL AREA JUST BEFORE PRESIDENT FORD'S VISIT.

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3. IN ARRANGING THEIR MILITARY TRANSACTIONS, INDONESIANS ARE TRYING TO AVOID COMPLICATIONS OF PRIVATE AGENTS, WITH ALL THE ATTENDANT PRESSURES WHICH SUCH PRACTICES INVOLVE HERE, PARTICULARLY AFTER RECENT LOCKHEED DISCLOSURES. IN ADDITION, INDONESIANS, WHO HAVE ONLY RECENTLY BEGUN SHIFT FROM MAP GRANT TO FMS FUNDING, HAVE LITTLE EXPRIENCE IN MANAGING FOREIGN MILITARY PROCUREMENT AND FINANCING AND STRONGLY PREFER USE DIRECT CREDITS, WHERE USG ASSISTANCE IN MONITORING CONTRACT COMPLIANCE IS AVAILABLE AND TERMS ARE MORE FAVORABLE.

4. I STRONGLY URGE THAT AT LEAST IN THIS FISCAL YEAR, AND IN CONNECTION PACKAGE ALREADY DISCUSSED, WE STICK WITH GOVERNMENT-TO-GOVERNMENT CREDITS FOR INDONESIAN FMS PURCHASES.  
NEWSOM

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY ASSISTANCE, CREDIT, MILITARY SALES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 NOV 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975JAKART14293  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750406-0008  
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**Office:** ACTION EA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 JUL 2003 by ElyME>; APPROVED <17 NOV 2003 by CunninFX>  
**Review Markings:**

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**Review Referrals:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FY 76 FMS CREDIT FOR INDONESIA STATE FOR EA-HABIB, DEFENSE FRO ISA-ABRAMOWITZ  
**TAGS:** MASS, ID, US  
**To:** STATE DOD  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006